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FILED

FEB 13 2017

SUSAN Y. SOONG
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

10 UNITED STATES DISTRICT COURT
11 NORTHERN DISTRICT OF CALIFORNIA
12 SAN FRANCISCO DIVISION

13
14 UNITED STATES OF AMERICA,) No.: CR 15-0319 RS
15 v.) NOTICE OF POTENTIALLY RELATED CASES
16)
17 CARL FORCE, and) Court: Honorable Richard Seeborg
SHAUN W. BRIDGES,)
18 Defendants.)
19)
20)
21)

22 UNITED STATES OF AMERICA,) No.: CR 16-0227 SI ✓
23 v.)
24 BTC-E, and) Court: Honorable Susan Illston
ALEXANDER VINNIK,)
25 Defendants.) **UNDER SEAL**
26)
27)
28)

1

2 The United States of America, pursuant to Local Criminal Rule 8-1, hereby notifies the Court
3 that the more recent criminal case, No. CR-16-0227 SI, could be deemed by the Court to be related to
4 CR-15-0319 RS, under the Local Rule.

5 The more recent case against BTC-E and Alexander Vinnik, No. CR-16-0227 SI, involves
6 money laundering through use of the digital currency Bitcoin. BTC-E is suspected to currently be
7 the most prolific launderer of digital currency in the world. The case also involves operating BTC-E
8 as an unlicensed money business by exchanging Bitcoin and other digital currency without proper
9 registration and compliance with FinCEN. Finally, the case involves laundering of funds by Vinnik
10 that were taken by fraud from another Bitcoin exchange, Mt. Gox. The defendants in case No. CR-
11 15-0319 RS, Carl Force and Shaun Bridges both utilized Bitcoin and specifically used BTC-E to
12 launder funds that they acquired through fraud and theft. In the BTC-E and Vinnik case, the
13 transactions by Force and Bridges are referred to as specified unlawful activity and specific acts of
14 money laundering utilizing the BTC-E exchange. Furthermore, the case against Bridges involved his
15 use of Mt. Gox in order to launder some of his stolen funds, as well as his seizure of Bitcoin from
16 Mt. Gox as a Secret Service Special Agent. Based upon these facts, the more recent case could be
17 deemed to be related within the meaning of Local Rule 8-1(b)(1) as they involve some of the same
18 alleged factual events and occurrences.

19 Additionally, the government believes that the case against BTC-E and Vinnik may involve
20 additional costs or expenditure of resources if it remains with the Honorable Judge Illston, since Judge
21 Seeborg has already been familiarized with the various entities, individuals, currencies, and concepts
22 involved in the new case.

24 Finally, the government currently expects to bring additional charges against defendant Bridges
25 that further involve use of Bitcoin and BTC-E. Those charges are expected to be related to Judge
26 Seeborg and involve many of the same concepts and entities as well.

Given the foregoing, the government hereby gives notice that these cases could, and likely should, be related to the earlier Judge, Judge Seeborg. Given the nature of the case against BTC-E and Vinnik (both defendants were indicted, but the superseding indictment is under seal and neither BTC-E nor Vinnik are aware that they are the subject of federal charges), the government hereby moves for the Court to file this matter UNDER SEAL until further order of the Court.

DATED: February 9, 2017

Respectfully submitted,

BRIAN J. STRETCH
United States Attorney

WILLIAM FRENTZEN
Assistant United States Attorney

IT IS HEREBY ORDERED, that due to the nature of the matters discussed within this Motion and that the case of United States v. BTC-E and Vinnik is currently maintained under seal, that this Motion and any resulting Order shall be filed and maintained UNDER SEAL, until further Order of the Court.

SO ORDERED, this 13 day of February, 2017.

HON. RICHARD SEEBORG/SUSAN ILLSTON
UNITED STATES DISTRICT JUDGE

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4 USA,
5 Plaintiff,
6 v.
7
8 C. CARL FORCE, and
9 SHAUN W. BRIDGES,
10 Defendant.
11

12
13 Case No.15-cr-00319-RS
14 16-cr-00227-SI
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CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that I am an employee in the Office of the Clerk, U.S. District Court, Northern District of California.

That on 2/13/2017, I SERVED a true and correct copy(ies) of the attached, by placing said copy(ies) in a postage paid envelope addressed to the person(s) hereinafter listed, by depositing said envelope in the U.S. Mail, or by placing said copy(ies) into an inter-office delivery receptacle located in the Clerk's office.

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18 William Frentzen
19 U.S. Attorney's Office,
20 NDCA Gang Strike Force Unit
450 Golden Gate Avenue
San Francisco, CA 94102

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22 Dated: 2/13/2017
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24 Susan Y. Soong
25 Clerk, United States District Court
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